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Reforming global trade rules key to supporting developing economies

17 March 2026

The rules governing global trade are under increasing strain, raising questions about whether the international trading system can continue to support development in an era of geopolitical rivalry and policy uncertainty.



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In the [March edition](#) ([/publication/global-trade-update-march-2026-reforming-trade-rules-drive-development](#)) of the Global Trade Update, UN Trade and Development (UNCTAD) warns that rising policy volatility and fragmentation in the global trading system risk undermining the stable conditions many developing countries rely on to expand exports, attract investment and diversify their economies.

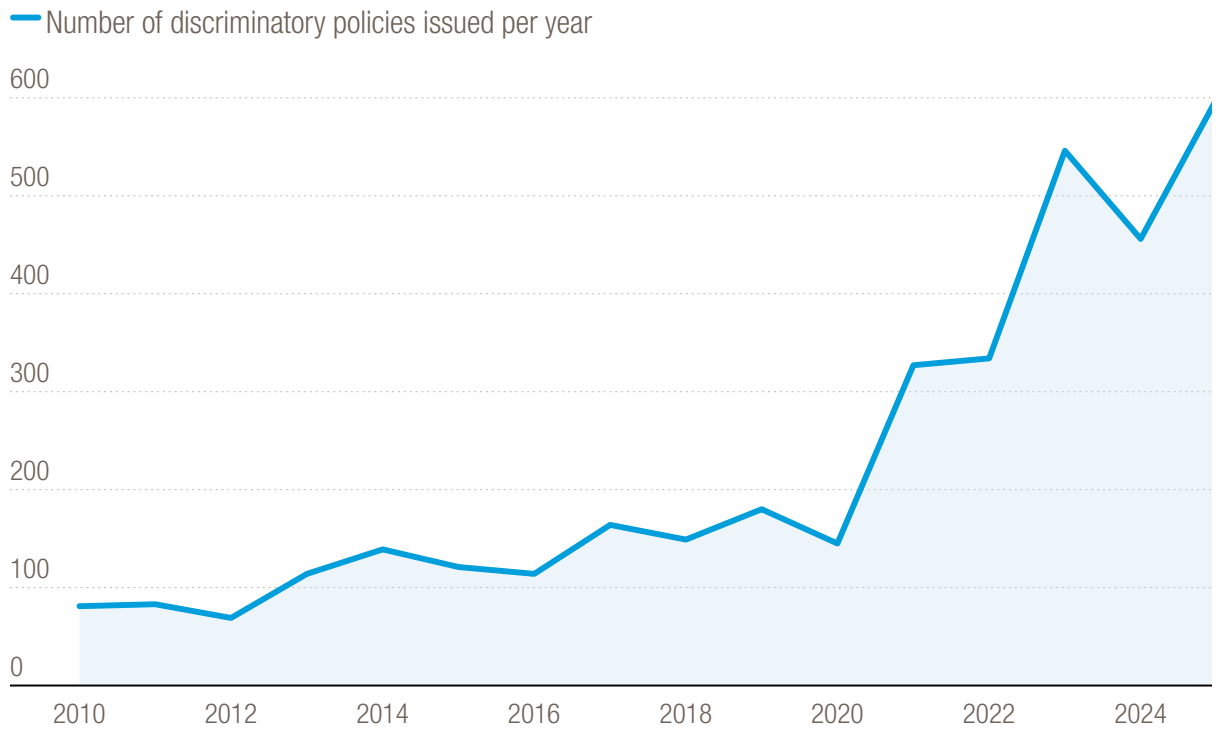
The findings come as members of the World Trade Organization (WTO) prepare for discussions on reform ahead of the organization's 14th Ministerial Conference (MC14), where governments are expected to examine how the multilateral trading system can better respond to today's evolving economic realities.

While the report focuses on structural challenges in the global trading system, UNCTAD notes that it continues to monitor the trade implications of ongoing geopolitical developments and disruptions affecting [shipping and energy markets](#) ([/publication/strait-hormuz-disruptions-implications-global-trade-and-development](#)), including those linked to tensions in the Strait of Hormuz.

Rising volatility in global trade

The report finds that the guardrails that once provided long-term stability for global trade are weakening, with certainty increasingly giving way to persistent policy volatility.

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Source: [Global Trade Alert](#)

Note: Discriminatory trade policies are measures through which governments grant preferential treatment to selected trading partners, diverging from the most-favoured-nation (MFN) principle, which requires equal treatment for all members.

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For developing economies, which often depend on a limited number of export sectors and operate with tighter fiscal space, such uncertainty can raise costs, weaken competitiveness and deter long-term investment.

Developing countries have the most at stake

Trade remains a powerful engine of development for many economies in the Global South. Export earnings support

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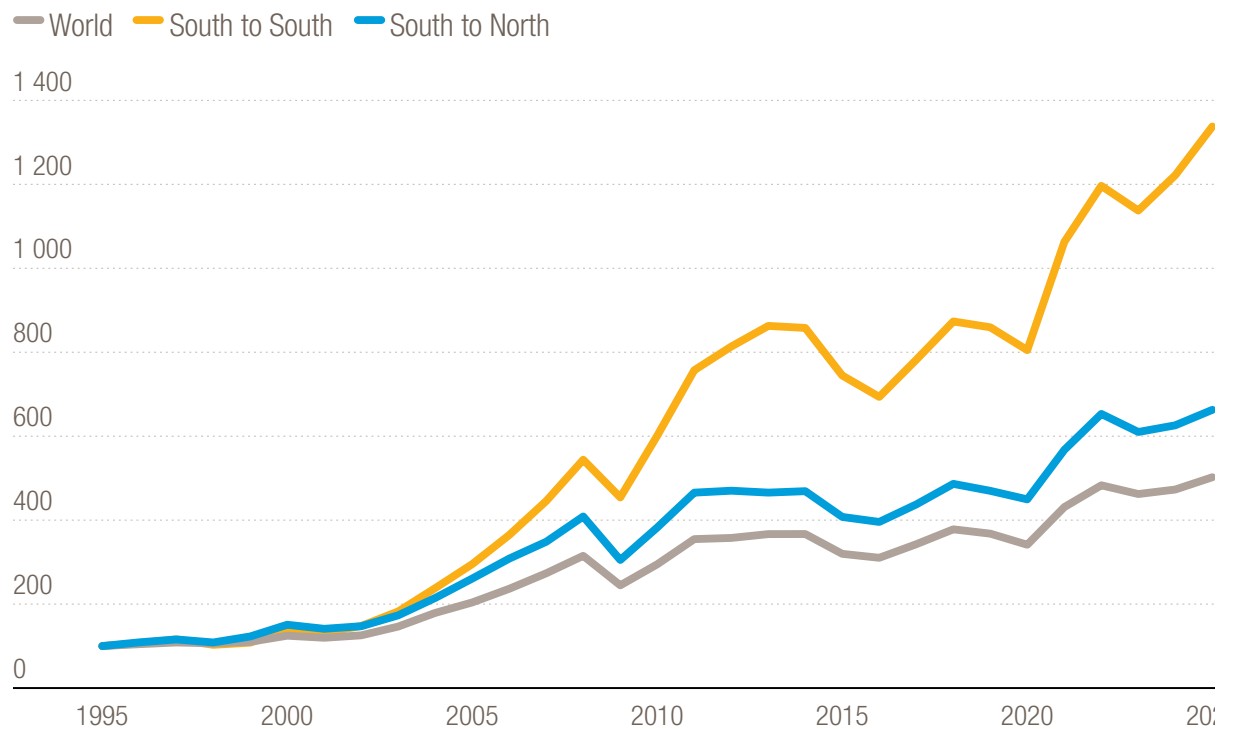
now accounting for more than a quarter of global trade.



South–South trade outpaces world trade and developing countries' exports to the North



World, South to South, and South to North merchandise export flows, Index 1995 = 100



Source: UN Trade and Development (UNCTAD)

Note: South-South trade is trade between developing countries.

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Yet participation remains uneven. [Least developed countries](#) (LDCs) account for only about 11% of

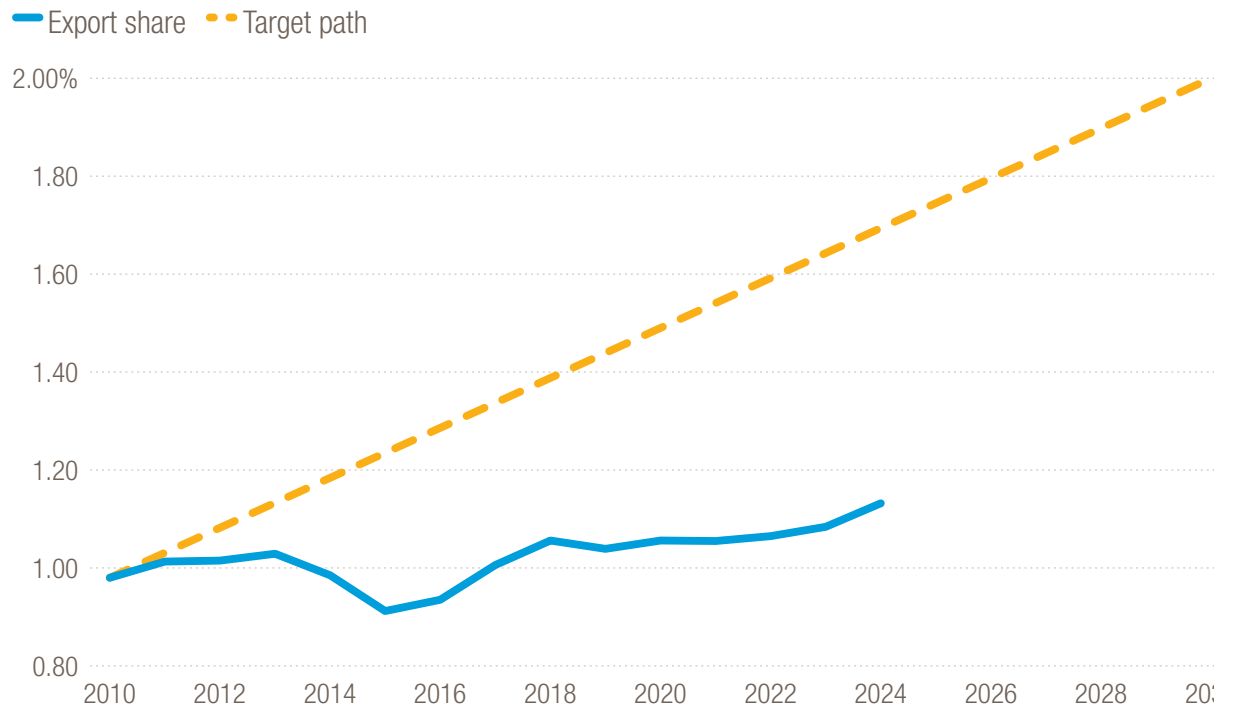
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Off the mark: Least developed countries' share of world exports remains marginal



Target and actual shares of world merchandise trade for least developed countries



Source: UN Trade and Development (UNCTAD)

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Restoring certainty in trade rules

Against this backdrop, the report stresses that reform of the WTO must restore certainty and predictability in international trade rules.

Clear and stable rules are particularly important for smaller economies seeking to

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A fully functioning dispute settlement system is also critical to ensuring fairness in global trade.

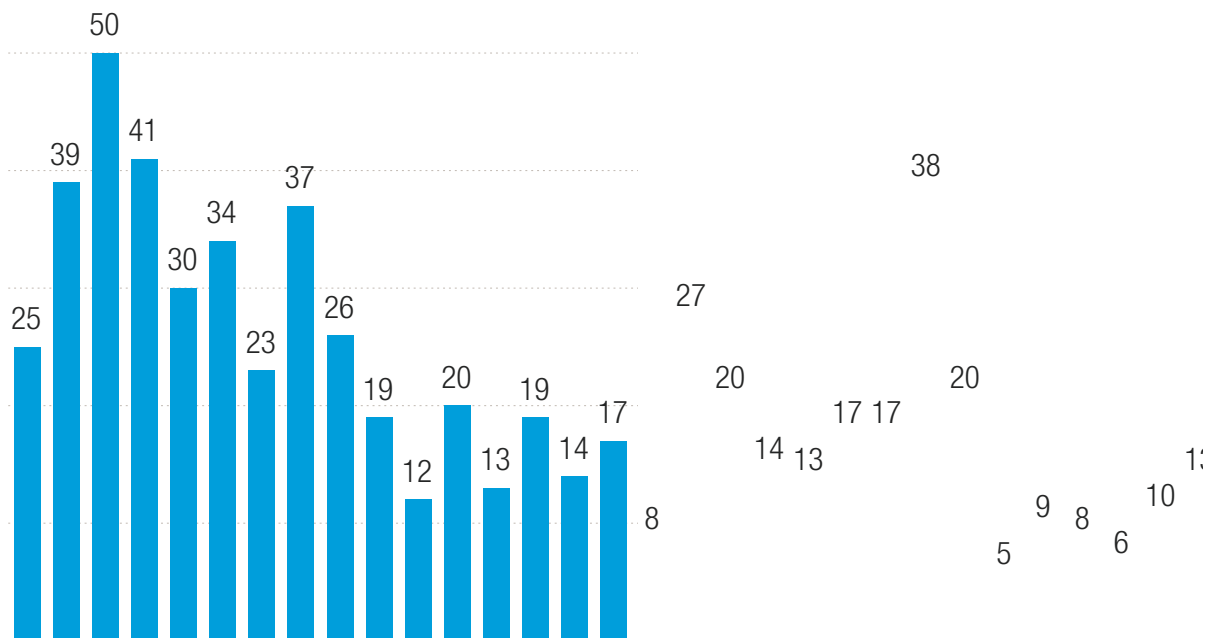
Since its creation in 1995, WTO members have brought 644 disputes and established 378 panels, highlighting the system’s central role in resolving trade conflicts.

For developing countries with limited market power, the mechanism provides an essential legal framework to challenge discriminatory trade measures.

Despite WTO dispute system crisis, countries continue filing cases – but at a slower pace



Requests for consultations at the World Trade Organization Dispute Settlement Mechanism



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A rules-based system for development

Ultimately, the report underscores that a rules-based international trading system remains fundamental to ensuring that trade supports inclusive and sustainable development.

Strengthening multilateral cooperation and enabling developing countries to participate fully in emerging areas of trade will be key to sustaining global growth and expanding economic opportunities worldwide.

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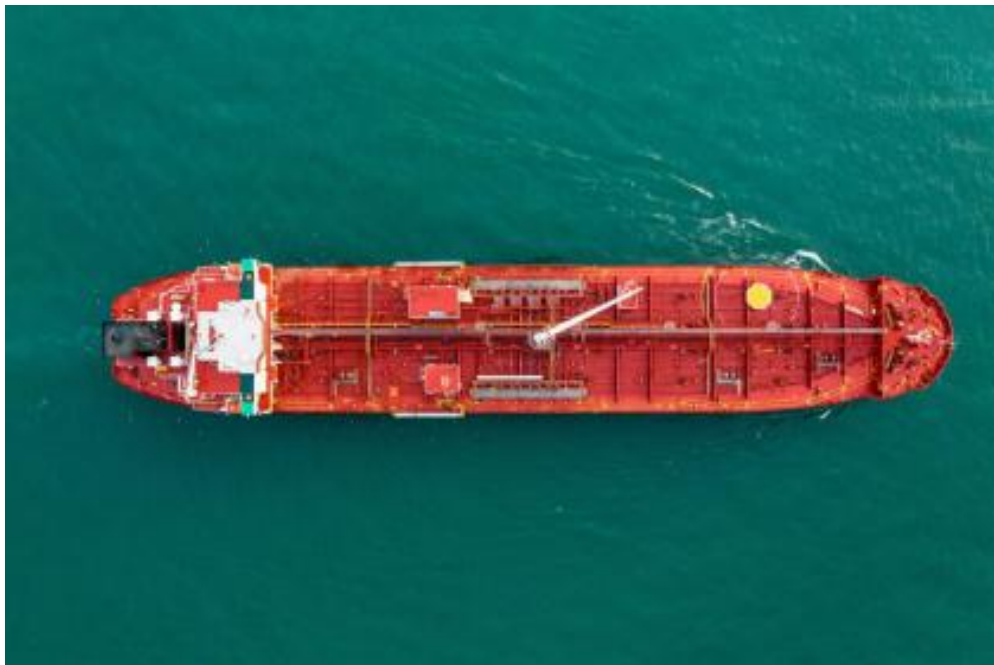
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Services are transforming least developed economies – but jobs and productivity lag behind

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